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**CHUM Limited**

Annual Report/Year ended August 31, 1969







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**CHUM** Limited

INTERIM REPORT

for six months ended February 28, 1969

# CHUM Limited

AND SUBSIDIARY COMPANIES (Note 1)

## CONSOLIDATED STATEMENT OF EARNINGS (Note 2) (not audited)

	Six Months Ended	
	February 28, 1969	March 31, 1968
Broadcasting revenue, less agency commissions	\$2,614,081	\$2,067,392
Operating earnings after minority interest	\$ 667,106	\$ 574,785
Income from investments	13,530	6,000
	<u>680,636</u>	<u>580,785</u>
<b>Deduct:</b>		
Interest on long-term debt	4,728	8,429
Depreciation	84,592	50,831
	<u>89,320</u>	<u>59,260</u>
Earnings before income taxes	591,316	521,525
Provision for income taxes	314,509	264,500
Net earnings before extraordinary expenses	\$ 276,807	\$ 257,025
Extraordinary expenses (Note 3)	32,780	—
<b>Net earnings for the six-months</b>	<b>\$ 244,027</b>	<b>\$ 257,025</b>
Based on 676,190 Common and Class "A" Shares:		
Earnings per share from operations	41.0¢	38.0¢
Deduct: Extraordinary expenses — per share	5.0¢	—
<b>Net earnings per share</b>	<b>36.0¢</b>	<b>38.0¢</b>

### NOTES

- During this period, investment in Ralph Snelgrove Television Limited increased from one-third to two-thirds. Accounts are now fully consolidated as of September 1, 1968.
- Because of change in year-end to August 31 in 1968, this interim report is for six-month period ended February 28, 1969 for which there is no comparable statement in 1968. Therefore, figures for six months' interim report ended March 31, 1968 are shown for comparative purposes.
- Includes expenses incidental to the acquisition of an additional one-third interest in Ralph Snelgrove Television Limited.

## CONSOLIDATED STATEMENT OF EARNINGS (Note 2) (not audited)

### Sources of Funds:

Operations —  
Net earnings  
Depreciation

Other —  
Bank loan  
Other items

### Application of Funds:

Additions to fixed assets  
Reduction in long-term debt  
Dividends Class "A" Shares  
Additional investment in company common stock, less working capital

Increase in working capital  
Working capital at August 31, 1968  
Working capital at February 28, 1969



## Directors and Officers

Allan Waters

Toronto

(President, CHUM Limited)

J. Wesley Armstrong

Toronto

(Vice-President, Sales, CHUM Limited)

Alexander A. Forbes, C.A.

Toronto

(Vice-President, Finance and Secretary-Treasurer,  
CHUM Limited)

A. Deane Nesbitt, B.Eng., O.B.E., D.F.C.

Montreal

(Chairman of the Board, Nesbitt, Thomson and  
Company, Limited)

Ralph T. Snelgrove

Barrie

(President, Ralph Snelgrove Television Limited)

Lawrence S. Solway

Toronto

(Vice-President, Creative Development,  
CHUM Limited)

## The CHUM Group

CKVR-TV.....	Barrie
CJCH.....	Halifax
CFMO.....	Ottawa
CFRA.....	Ottawa
CKPT.....	Peterborough
CHUM.....	Toronto
CHUM/FM.....	Toronto
"Music by Muzak".....	Province of Ontario

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## SOURCE AND APPLICATION OF FUNDS

	Six Months Ended February 28, 1969	March 31, 1968
the period	244,027	257,025
	84,592	50,831
	<u>\$ 328,619</u>	<u>\$ 307,856</u>
	500,000	—
	14,460	—
	<u>\$ 514,460</u>	<u>—</u>
	<u>\$ 843,079</u>	<u>\$ 307,856</u>
ets	56,325	6,859
n debt	52,352	82,208
Shares	58,109	58,109
in subsidiary ated for the first capital acquired	645,285	—
	<u>\$ 812,071</u>	<u>\$ 147,176</u>
l during period	31,008	160,680
31, 1968 and	805,517	520,081
y 28, 1969 and	<u>\$ 836,525</u>	<u>\$ 680,761</u>



# CHUM Limited

AND SUBSIDIARY COMPANIES (Note 1)

## CONSOLIDATED STATEMENT OF EARNINGS (Note 2)

(not audited)

	\$
	Feb
	28
Broadcasting revenue, less agency commissions	\$2,6
Operating earnings after minority interest	\$ 6
Income from investments	6
<b>Deduct:</b>	
Interest on long-term debt	
Depreciation	
Earnings before income taxes	\$
Provision for income taxes	\$
Net earnings before extraordinary expenses	\$ 2
Extraordinary expenses (Note 3)	
<b>Net earnings for the six-months</b>	<b>\$ 2</b>
Based on 676,190 Common and Class "A" Shares:	
Earnings per share from operations	
Deduct: Extraordinary expenses — per share	
<b>Net earnings per share</b>	

### NOTES

1. During this period, investment in Ralph Snelgrove Television Limited was made from one-third to two-thirds. Accounts are now fully paid up as of September 1, 1968.
2. Because of change in year-end to August 31 in 1968, the six-month period ended February 28, 1969 for which statement is given in 1968. Therefore, figures for six months ended March 31, 1968 are shown for comparative purposes.
3. Includes expenses incidental to the acquisition of an interest in Ralph Snelgrove Television Limited.

# CHUM Limited

AND SUBSIDIARY COMPANIES

## TO THE SHAREHOLDERS:

From mid 1967 to mid 1968, advertisers and their agencies were reluctant to make large long-term commitments. Total net advertising revenue for all media increased only 5.7% in 1968 over 1967, the lowest percentage increase since 1963. However, total spending directed to broadcasting showed a 4% increase for radio and a 6% increase for television in 1968 over the previous year.

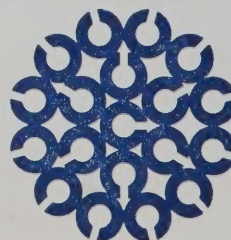
Radio's share of total media expenditures continued to be in excess of 10%, while television has maintained a 13% share over the last two years.

CHUM Limited has continued to increase its broadcasting revenue even though sales for the six months ended February 28, 1969 were "spotty", particularly at the national level. However, your Company's national sales are buoyant presently, and this will contribute to an improved second six months.

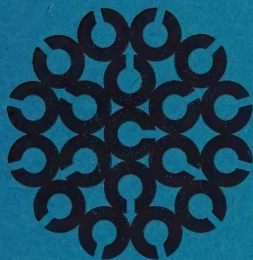
Your Company is continuing its search for acquisitions in the broadcasting and related fields.

ALLAN WATERS,  
President.

April 8, 1969.







## Directors and Officers

Allan Waters  
Toronto  
(President, CHUM Limited)

J. Wesley Armstrong  
Toronto  
(Vice-President, Sales, CHUM Limited)

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## The CHUM Group

CKVR-TV.....	Barrie	✓
CJCH.....	Halifax	✓
CFMO.....	Ottawa	✓
CFRA.....	Ottawa	✓
CKPT.....	Peterborough	✓
CHUM.....	Toronto	✓
CHUM/FM.....	Toronto	✓
"Music by Muzak".....	Province of Ontario	

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## Report to the shareholders

I am pleased to report that earnings for the year ended August 31st, 1969 were at an all-time high: \$1.03½ per share.

In 1967, twelve-month earnings per share were 81¢; in 1968, eleven-month earnings per share were 85.5¢; this year, our twelve-month earnings were \$1.08 less 5¢ per share for extraordinary expenses, leaving a net per share of \$1.03½.

1969 has been an active acquisition year for CHUM. Muzak is the latest member of the CHUM Group. Associated Broadcasting Corporation Limited, the company which holds the Ontario franchise for Music by Muzak, was acquired this summer. The official closing date for the transaction was October 10, 1969; therefore, sales and earnings figures for Muzak are not reflected in the enclosed financial statements.

The General Manager and operating head of Muzak is Wally West, Sr. who has held this position for the past six years. A detailed description of Music by Muzak is contained on Page 4.

Also in the Spring of 1969, CHUM Limited agreed to purchase Radio Stations CKGM AM and FM in Montreal, and the fifty per cent not now owned of Radio Station CJCH Halifax. Both applications have been heard by the Canadian Radio-Television Commission—CKGM in June and CJCH in November. Decisions have not yet been received, and the purchases cannot be completed without CRTC approval.

In June, 1969, Larry Solway, a CHUM Director, was appointed to the new position of Vice-President, Creative Development. This department will pursue new activities both inside and outside of the existing broadcasting schedules of CHUM Group Stations. It will enlarge the present programming scope and auxiliary activities by making even greater use of the pool of broadcasting and communications knowledge now available within the Company.

To date the Department has done a great deal of work planning new projects in the areas of public affairs and education.

In cooperation with CHUM Contemporary News, the Creative Development Department is putting together an extensive program dealing with social welfare services at the neighbourhood level. Also in preparation is a series dealing with petty thefts. It is planned to do a minimum of six similar projects a year.





## HIGHLIGHTS OF THE YEAR

	Twelve Months Ended August 31, 1969
Net earnings for the period	\$ 699,302
Earnings per share	1.03½¢
Source of Funds:	
Operations	879,280
Provision for Income Taxes	895,281
Working capital at end of period	630,701
Shareholders' equity	5,160,873
Long Term Debt	128,687
Cash Dividends paid on Class A shares	118,860

CHUM Radio will place special emphasis on the expanding role of education by starting, early in January, 1970, a weekly, hour-long program in cooperation with the counselling departments of the Metro Departments of Education. It will deal with career counselling as well as counselling in the multitude of social problems encountered daily by guidance counsellors.

Fred Sherratt, who is being proposed as a CHUM Limited Director, has been moved to Toronto and appointed Vice-President, Programming and Operations, CHUM Limited. Mr. Sherratt was previously General Manager of CKPT Peterborough, and Vice-President and General Manager of CJCH Halifax.

The executive promotions of Mr. Solway and Mr. Sherratt from within the Company have further strengthened and improved the management depth of CHUM Limited.

We will continue to investigate new broadcasting properties, and companies in related and non-related industries. We anticipate further expansion in the coming year.

Allan Waters,  
President

December 5, 1969



## Broadcast Citations

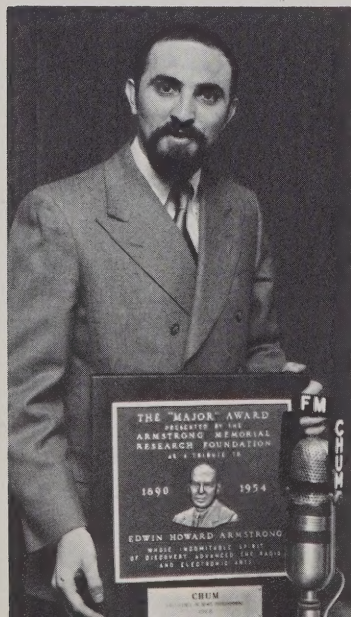
**CJCH Halifax** won the Gordon H. Love Award for excellence in news broadcasting. Part of the citation read: "This radio station demonstrated with several good examples its mastery of the basics of good news gathering and presentation, the ability to smell out significant news situations, to dig as deeply as necessary and then some, to make the facts available and present them with persistent vigor."

**CHUM/FM Toronto** received two of the four Major Armstrong Awards available to commercial FM stations in North America. These Columbia University-sponsored awards were given for excellence in news and educational programming.

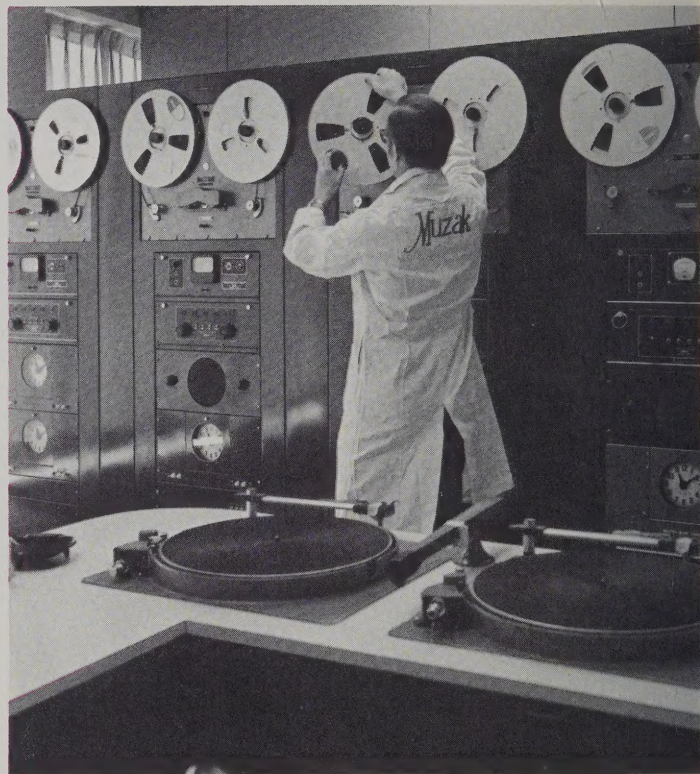
**CFRA Ottawa** was the recipient of the Association Canadienne de la Radio et de la Télévision de Langue Française Award (ACRTF Trophy) which is given to the English station "who has made the best editorial efforts to foster the comprehension and support of the French fact's importance to the achievement of Canadian unity."



Terry Kielty, Vice-President and General Manager, CFRA Ottawa, and Fred Sherratt, formerly Vice-President and General Manager of CJCH Halifax, accept awards won by both stations. Mr. Sherratt is now Vice-President, Programming and Operations, CHUM Limited.



CHUM-FM's Larry Green, with one of two Major Armstrong awards



## Newest member of the CHUM group - Music by

Muzak is one of the world's best known trade marks, so well known that the name is often used generically in relation to background music.

What makes Muzak unique is its ability to identify, segregate and catalogue musical stimuli. Music by Muzak can increase or decrease energy and alertness, and has the ability to relax or excite those within its influence. In short Muzak is not in the business of music per se, but rather specialists in the psychological and physiological applications of music within the human environment.

Musicologists, working under the direction of the Board of Scientific Advisors at the Muzak Head Office, select, arrange and tape the special type of non-distracting music; they use equipment specially designed by Muzak.

Muzak creates three completely different programs—one for public areas such as hotels, shopping centres, etc., the second is for office environment, and the third is specially designed to be heard in factories.

Muzak's "Total Service" consisting of programming and sound system is marketed throughout the world by over 250 franchises. Each is meticulously selected





as a Muzak representative within a well defined territory. Muzak also designs and manufactures the electronic components to be installed within the subscriber's premises such as amplifiers, loudspeakers, volume controls, etc.

Associated Broadcasting Corporation Limited was awarded the Muzak franchise for Ontario over twenty years ago and although the growth was steady, the marketing emphasis was concentrated almost entirely to the immediate Toronto area.

However, since 1963, all cities and most towns in Ontario from Ottawa to Windsor have been disseminating Muzak programming via established telephone networks and multiplex broadcasts. Associated in that six year period, has doubled its sales volume and is now acknowledged to be the largest Muzak franchise in the world in terms of sales volume and market penetration.

In October 1969, shareholders of the Company approved the purchase of all the outstanding shares of Associated Broadcasting Corporation Limited. The management team and staff will remain intact, and the Company will continue to grow and serve its market area.



## Canadian Contemporary News System

Canadian Contemporary News System, a totally Canadian financed and operated national news system, was formed early in 1969.

Contemporary News is unique in the way it functions. Unlike a news service, the System operates on a pooling of news stories by all participating stations.

They are electronically linked by Broadband, a microwave communications system which permits instant release from Ottawa of all news stories to member stations across the country. Individual stations can feed the entire Contemporary News System with local or regional stories.

The effectiveness of the Canadian Contemporary News System is greatly enhanced by the ability of all member stations to simultaneously release major news stories throughout the country.

Contemporary News Stations effectively combine their efforts to provide a powerful news-gathering force which exemplifies the Contemporary News slogan, "coast to coast Canadian".



Paul Akehurst, General Manager of CCNS, interviewing C. K. Yen, Vice-President and Prime Minister of Nationalist China in the presidential palace in Taipei.

## The Maple Leaf System

An idea originated and developed by the Company's Toronto radio station, CHUM, is providing simultaneous country-wide exposure for Canadian musical talent, heretofore unavailable.

The Maple Leaf System was launched in June, 1969. The concept was many months in planning and the launch became effective after discussions with twelve key radio stations from coast to coast.

With the establishment of the System, the 12 founding member stations are creating an environment for the development of Canadian talent by jointly lending their facilities for the regular, continuing and simultaneous exposure of popular music produced by Canadian artists. All AM stations in the CHUM Group are members of the Maple Leaf System.





## CHUM Group of Stations

### CHUM

Radio Station CHUM suspended regular evening programming for a whole week in August, 1969 to present an in-depth study of the evolution of popular music in Canada.

A CHUM HISTORY OF ROCK AND ROLL, several months in preparation, was written by Larry Solway, Vice-President, Creative Development, CHUM Limited, and produced in CHUM's Toronto studios.

The series of seven programs was offered free to Canadian radio stations through the Program Exchange of the Canadian Association of Broadcasters. They filled requests from 35 Canadian stations, and another from Sydney, Australia.



CHUM Radio launched a "save Kensington" campaign after Toronto's famed European-style market was scheduled for modernization. Over 250 non-market goers responded to Larry Solway's on-air invitation to "know Kensington." They were picked up at the subway station in a chartered bus and personally guided through the "old world" shops by Solway himself.



Personalities of CHUM Toronto receive final instructions from Ice Capades' star, Linda Carbonetto, prior to their performance during the show's opening night intermission at Maple Leaf Gardens.



CHUM Radio, on location for 12th consecutive year at the Canadian National Exhibition.



Terry Kielty, Vice-President and General Manager of CFRA, MC'd the Schenley Awards presentation in Montreal prior to the 1969 Grey Cup game. He is shown with Ottawa star, Russ Jackson, who received the outstanding player award, and who was also named top Canadian player.

Jackson's wife, Lois, is hostess of CFRA's hour-long Saturday morning "Kitchen Quarterbacks' Club," a telephone discussion program which is scheduled during football season.

### CFRA

CFRA is the most listened-to radio station in the Ottawa Valley—and the established sports voice, too.

In 1969 the station was successful in obtaining rights to broadcast the Ottawa Rough Rider football games for three years. Additionally, CFRA is now in its third year of presenting "play-by-play" of the Ottawa Junior Hockey games.

CFRA is truly Ottawa's "community minded service station." On-air personalities and staff are associated with almost all charities and community functions in the nation's capital.



CFRA comfort station followed the 37,000 participants in the Oxfam "Miles for Millions" march.

CFRA's morning man, Ken Grant, gave local children afflicted with muscular dystrophy a chance to be in Ottawa's Exhibition parade.



Julie Maloney, CFRA's Campus Club Queen, was recently selected Miss Canada for 1970. She is shown here with station personalities Al Pascal and Charlie Hunter. The Campus Club program, sponsored by Coca-Cola Ltd., has been scheduled on CFRA for several years.



## CKPT

Radio Station CKPT's involvement in Peterborough community affairs, particularly during the past year, is noteworthy.

The station expanded its news and public affairs department because of increased emphasis and interest in public affairs. Further, CKPT prepared and scheduled several news specials which dealt with topics of major interest to Peterborough residents.

CKPT staff members served on the Advisory Board of the Trent University Building Fund, and on the University's Broadcast Committee. A freelance writer was commissioned by CKPT to create a series of radio commercials for the Trent Building Fund; these were scheduled by the station, at no charge to the University, over a four-month period. The commercials were given free to other Peterborough and area broadcast media.



Viewing the Trent campus with the University's Director of Information and Services, Jim English, is CKPT's General Manager, John Manol. Trent had a 30% increase in enrollment this year.

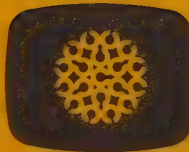
## CJCH

To be an effective communicator, a radio station must establish a real presence in the community it serves.

A typical response to serve the community was CJCH Radio's sponsorship of the Picnic-on-the-Hill Variety Show in connection with Halifax Natal Day. Canadian performers hired for the Show were John Allan Cameron, a Cape Breton folksinger, and the Privateers, a folk group from Halifax.

CJCH also presented the Dartmouth Natal Day Variety Show which again featured Canadian talent.

Individual employees of CJCH Radio also give their time and talent to specific affairs and events throughout Nova Scotia. For example, Reg McCausland, CJCH's technical director, supervised the installation and testing of equipment at the Radio Club, the on-campus, closed circuit broadcast operation of Dalhousie University.



## CKUR-TV



CKVR-TV signed on at 11 a.m. on September 28th, 1955. At that time there were about 35 employees and the station was programming approximately 60 hours a week.

Today, Channel 3 has almost doubled its staff—and the station now schedules 120 hours of programming each week.

The most significant development for CKVR-TV in the past year has been the rapid growth of Cable Television in Ontario. This factor, plus the northward expansion of Metropolitan Toronto, has significantly extended the station's reach.

CKVR-TV is now available on 38 different cable systems. Seven of these are in Metropolitan Toronto.

As of the end of August, 1969, it was estimated that 100,000 homes in Metro Toronto are cable equipped. It is further estimated that an additional 10,000 homes are being connected every month.



# CHUM Limited

AND SUBSIDIARY COMPANIES

## Consolidated Balance Sheet as at August 31, 1969

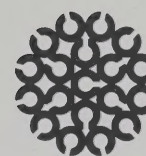
(with comparative figures at August 31, 1968) (Note 1)

### ASSETS

	1969	1968
<b>Current Assets:</b>		
Cash	\$ 529,044	\$ 518,714
Accounts receivable	1,034,340	735,527
Prepaid expenses	75,105	62,130
	<u>1,638,489</u>	<u>1,316,371</u>
<b>Investments—at cost:</b>		
Ralph Snelgrove Television Limited	—	802,521
Radio CJCH—920 Limited	350,000	350,000
Peterborough Broadcasting Co.	117,061	99,351
Other	15,441	—
	<u>482,502</u>	<u>1,251,872</u>
<b>Fixed Assets:</b>		
Land, at cost	537,051	524,878
Buildings and equipment, at cost less accumulated depreciation \$2,144,016 (1968—\$1,223,740)	1,131,711	851,376
	<u>1,668,762</u>	<u>1,376,254</u>
<b>Other Assets:</b>		
Excess of cost of shares of subsidiary companies over book value of underlying assets	2,784,788	1,480,263
	<u>\$6,574,541</u>	<u>\$5,424,760</u>

Approved on behalf of the Board  
Allan F. Waters, Director  
A. A. Forbes, Director





## LIABILITIES AND SHAREHOLDERS' EQUITY

	1969	1968
<b>Current Liabilities:</b>		
Bank loan	\$ 300,000	\$ —
Accounts payable and accrued liabilities	261,867	213,904
Income taxes payable	441,133	192,481
Instalments on long-term debt due within one year	4,788	104,469
	<u>1,007,788</u>	<u>510,854</u>
<b>Long-Term Debt:</b>	<b>128,687</b>	<b>333,475</b>
<b>Minority Interest:</b>	<b>277,193</b>	<b>—</b>
<b>Shareholders' Equity:</b>		
Capital Stock: (Note 2)		
Non-cumulative, redeemable, convertible		
Class A shares with a par value of \$10 each—		
Authorized and issued—264,133 shares	2,641,330	2,641,330
Common shares without par value—		
Authorized—1,500,000 shares		
Issued — 412,057 shares	100,000	100,000
Retained Earnings	2,419,543	1,839,101
<b>Total Shareholders' Equity</b>	<b>5,160,873</b>	<b>4,580,431</b>
	<u><b>\$6,574,541</b></u>	<u><b>\$5,424,760</b></u>

### AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of CHUM Limited and its Subsidiary Companies as at August 31, 1969 and the related Consolidated Statement of Earnings, Retained Earnings and Source and Application of Funds for the year ended on that date. Our examination of the consolidated financial statements of CHUM Limited included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at August 31, 1969 and the results of their operations and the source and application of their funds for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal period.

November 29, 1969

EWEN & EWEN  
Chartered Accountants



# CHUM Limited

AND SUBSIDIARY COMPANIES

## Notes to Consolidated Financial Statements for the Twelve Months ended August 31, 1969

### 1. Principles of Consolidation

- (a) The consolidated balance sheet as at August 31, 1969 includes the accounts of Radio Station CFRA Limited, a wholly-owned subsidiary and Ralph Snelgrove Television Limited, owned 66⅔% by CHUM Limited.
- (b) The consolidated statements of earnings and retained earnings for the year ended August 31, 1969 include the earnings of both subsidiaries after allowing for the minority interest's share of the net earnings of Ralph Snelgrove Television Limited. The comparative figures for the eleven months ended August 31, 1968 do not include the earnings of Ralph Snelgrove Television Limited.

### 2. Capital Stock

- (a) Supplementary Letters Patent dated September 30, 1969 have been obtained whereby the company has subdivided, reclassified and changed its authorized and issued capital stock to the following designations and amounts—

Class A Shares with a par value of	
\$10 each—	
Authorized and issued—	
264,133 shares	\$2,641,330
Non-voting Class B Shares without	
par value—	
Authorized—8,000,000 shares	
Issued — 412,057 shares	33,333
Common shares without par value—	
Authorized—1,500,000 shares	
Issued — 824,114 shares	66,667
	<u>\$2,741,330</u>

- (b) The Company called for redemption on November 10, 1969 all of its issued and outstanding Class A Shares. Subsequent to the receipt of the Supplementary

Letters Patent as set out in 2(a) above, 264,044 Class A Shares were converted into 515,843 Class B Shares and 276,289 common shares. On November 10, 1969 the remaining 89 Class A Shares were redeemed at \$10.50 per share for an aggregate consideration of \$934.50.

### 3. Post Balance Sheet Events

- (a) Effective October 10, 1969 the Company purchased all of the issued and outstanding shares of Associated Broadcasting Corporation Limited from Famous Players Canadian Corporation Limited and Allan F. Waters for a price of \$3,000,000 as set out below:—

Famous Players Canadian Corporation Limited—Cash payment on	
October 10, 1969	\$ 500,000
Promissory note issued, bearing	
interest at 9% per annum due	
December 31, 1969	1,000,000
Allan F. Waters—	
Promissory note issued, non-interest	
bearing, due on demand not before	
December 31, 1969, or at the option	
of the vendor in five equal annual	
instalments commencing	
December 31, 1969	1,500,000
	<u>\$3,000,000</u>

The shares purchased are held by a Trustee under two escrow agreements and the shares will be released on the full payment of each of the above promissory notes.

- (b) The Company has agreed to purchase from Mr. G. W. Stirling all of the issued and outstanding shares of Maisonneuve Broadcasting Corporation Limited for \$2,250,000 cash on closing plus an amount equal to the balance of a loan account to an affiliated company (\$235,000 at August 31, 1969) together with the excess of current assets over current liabilities at the date of closing (\$67,193 at August 31, 1969). The balance of the loan account is to be repaid to Maisonneuve



Broadcasting prior to closing. The agreement is conditional on the approval by the Canadian Radio-Television Commission.



(c) The Company has agreed to purchase from CJCH Limited the remaining 50% of the issued and outstanding shares of Radio CJCH-920 Limited not already owned by CHUM Limited and a non-interest bearing demand note receivable, for \$375,000 cash. The agreement is conditional on the approval by the Canadian Radio-Television Commission and the purchase price is payable thirty days after such approval is obtained.

(d) The Company entered into an underwriting agreement with Nesbitt Thomson Securities Limited and John Graham & Company Limited whereby the latter two parties agreed to purchase from the Company an aggregate of 1,000,000 Class B Shares for \$5,640,000. This underwriting agreement is subject to approval by various provincial securities commissions.

#### **4. Remuneration of Officers and Directors**

During the year ended August 31, 1969 aggregate remuneration paid or payable by the Company and its subsidiaries to directors, as such, was \$300 and to senior officers of the Company was \$256,148.

#### **5. Dividends**

The Board of Directors of the Company has declared a quarterly dividend of 6¢ on the Class B Shares payable December 1, 1969 to Class B shareholders of record on November 15, 1969.

The holders of the Class B Shares are entitled to receive when and if declared by the Board of Directors, non-cumulative preferential dividends at the rate of 24¢ per share per annum. The holders of the common shares are entitled to receive dividends at the rate of 24¢ per share when and if declared by the Board of Directors, after payment of the non-cumulative preferential dividend of 24¢ per share on all the Class B Shares, and any further dividends declared shall be paid in equal amounts per share on all the Class B Shares and on all the common shares outstanding.



